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May 16, 2007

VIA ELECTRONIC-DELIVERY

Charles L.A. Terreni
Chief Clerk & Administrator
Public Service Commission of South Carolina
101 Executive Center Drive
Columbia, South Carolina 29210

Re: Application of South Carolina Electric and Gas Company for Implementation of Time-of-Use Rates for Residential and Commercial Customer Classes
Docket No. 2007-171-E.

Dear Mr. Terreni,

This is to inform the Public Service Commission ("Commission") that the Office of Regulatory Staff ("ORS") has reviewed the above referenced filing. Based on the information provided, ORS does not have an objection to South Carolina Electric & Gas Company's ("SCE&G") request for approval of its two new electric rate offerings. ORS understands that the new rates being proposed by SCE&G are voluntary and are designed to provide customers with additional options to assist in managing energy usage. These proposed rates are similar to rates already on file with the Commission for both Duke Energy and Progress Energy. According to the application these proposed rates have the potential to shift or shed demand which in turn can reduce peak load. ORS is in the opinion that this request is reasonable and has the potential to serve the interests of SCE&G's residential and commercial customers.

Thank you for the opportunity to provide our comments in this matter.

Sincerely,


John W. Flitter

JWF/sh

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cc: Dan F. Arnett, Chief of Staff, SC ORS
Florence Belser, General Counsel, SC ORS
Shannon Bowyer Hudson, Esquire, SC ORS
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